

The Organized Farmer in Business

Facts and Figures

about the business the Farmers
of Western Canada have built up
under their own ownership in

United Grain Growers Ltd.

Winnipeg

Regina

Saskatoon

Edmonton

Calgary

This booklet is issued with the object of giving, in condensed form, some information regarding one important unit among the institutions that go to make up the whole organized farmers' movement in the Prairie Provinces of Canada. The 35,000 shareholders, the 12 directors they appoint to look after the Company's business and the Management of the Company would like to bring every farmer in the West into the movement and have him

A member of the Association,

A reader of The Guide,

The owner of at least one share in the Farmers' Company.

What has already been accomplished by these three units indicates that much more can be accomplished with a more perfect organization. Farmers of the West should unite now and give every possible assistance toward meeting the bigger problems that have developed out of The Great War. Their own interests need to be specially guarded.

Canadian manufacturers spend large sums annually to keep their forces organized to fight for their demands. The labor forces in Canada take considerable tolls from their savings in organizing strikes to fight for what they deem to be in the interests of the laboring people or wage earners. Surely every farmer can invest at least \$30.00 in one share and use \$2.00 a year as membership to a local association, as well as \$1.50 a year for his subscription to The Grain Growers' Guide, which places him in position to inform himself week after week of what the organized farmers are doing as well as what problems have to be faced.

For further information regarding the commercial unit of the organized farmers' movement, write

UNITED GRAIN GROWERS LIMITED

WINNIPEG, MANITOBA

CALGARY, ALBERTA

228505

In 1906 a few hundred farmers paid down a few dollars each in order that a Farmers' Company might be organized to see that farmers throughout the West received better treatment in the marketing of their grain. Most of those who turned in this cash did so knowing that even though their company should not weather the storm it would meet, attention at least would be drawn to a number of injustices and iniquities practised against them.

The company—the old Grain Growers' Grain Co.—battled to success and proved itself a sound business concern some years ago.

Every year since 1906 hundreds of farmers have paid in hard earned cash to still further strengthen their own company and to enable it to undertake new activities. From 1916 to 1919 no special effort was made to sell shares, but now with the war at an end, the Directors feel that farmers all over the West again should be given an opportunity of becoming members, or of increasing their holdings up to the limit permitted by our Charter—100 shares.

United Grain Growers Limited is one unit in the great organized farmers' movement. Its development now more than ever depends on financial backing from the farmers themselves. High prices for grain, in addition to being gratifying from the producer's viewpoint, also call for more cash in the handling of this grain—so also does the high cost of machinery and other supplies require more cash in the handling, but as the company's business increases so does its purchasing power increase and also its ability to make the best bargains in buying.

Farmers of the West have saved or made for themselves millions of dollars by having their own company in the field. They can make further savings by increasing their own facilities for doing business.

In this booklet appear a few facts dealing with United Grain Growers Limited and its predecessors,

The Grain Growers' Grain Co. Ltd. and The Alberta Farmers' Co-operative Elevator Co. Ltd. Study these facts. Think of what has been accomplished. Consider what remains to be done, then do what you can to make "Every Farmer a Member of this Farmers' Company."

The Company The Organized Farmers of the West carrying on their own business. There are now close to 35,000 farmer members.

The Object To do the farmers' business for him, both buying and selling, better than it could be done otherwise.

History United Grain Growers Limited was formed on September 1st, 1917, as a result of the amalgamation of The Grain Growers' Grain Company Limited and The Alberta Farmers' Co-operative Elevator Company Limited. Some facts about each company at the time of amalgamation are shown below:

	Alberta Farmers' Co-operative Elevator Co. Ltd.	The Grain Growers' Grain Co. Ltd.
Capital subscribed	\$1,291,620.00	\$1,705,700.00
Capital paid up	563,689.00	1,357,382.46
Date of organization . . .	1913	1906
Grain Commission Business started	1913	1906
Terminal Elevator Leased from C.P.R.		1912
Grain Export Business begun		1910
Livestock Department organized	1914	1916
Co-operative Supply Department organized . .	1914	1913

*Amalgamation
Changes*

The principle of government by locals was adopted instead of the system of individual members attending the annual meeting or giving proxies, each local being represented at the annual meeting by a duly elected delegate.

A member was allowed to hold up to 100 shares of \$25.00 par value each.

*Progress since
Amalgamation*

Land and Insurance Departments organized to be conducted by a Subsidiary Company, United Grain Growers Securities Company Limited. The construction of a Lumber Mill and equipment on the Company's timber limit in British Columbia was carried through, and a subsidiary Company, U.G.G. Sawmills Limited, organized to operate the Mill and Plant.

As the amalgamation greatly strengthened the farmers' business organization a largely increased business has been done. The organization has been improved and increased facilities for doing business provided.

Services

A complete grain marketing service, including country and terminal elevators and an export company.

A Livestock Department, selling stock on Winnipeg, Calgary and Edmonton and Moose Jaw markets, and supplying car loads of stockers and feeders for farmers.

A Co-operative Supply and Machinery Department, handling general supplies and farm implements.

A Lumber Mill manufacturing lumber on the Company's own timber limits. Farm Land and Insurance Departments.

*Membership
and Ownership*

Only farmers, or members of farmers' families, may become shareholders.

No member may hold more than 100 shares of \$25.00 par value each. (The selling price of these shares at the present time is \$30.00.)

Each member has one vote only. Members are organized in 330 Locals, each of which elects a Local Board with a secretary and a chairman and also appoints a delegate to the annual meeting. This organization makes every member equal in rights to every other member, and it makes it easy for members to take part in the affairs of the Company.

*Relation to
Other Farmers'
Organizations*

The Company is one part of the organization of Western Farmers. The first organization of farmers was in Provincial Associations. From these developed the Farmers' Company because a commercial association was needed to carry on commercial work on behalf of the farmer.

A portion of the earnings of United Grain Growers Limited is set aside each year for the use of Provincial Associations.

A total of over \$100,000.00 has been spent by the Company on organization work pertaining to Provincial Associations.

Elevator Information

	Manitoba No.	Saskatchewan No.	Alberta No.
Elevators owned . .	29	36	146
Elevators leased . .	130		
	159	36	146

Total for three provinces, 341 elevators.

	Manitoba	Saskatchewan	Alberta	Total
Flour Houses	59	28	144	231
Coal Sheds .	38	25	120	183

Terminal Elevators

At Fort William Elevators "B" and "E" operated as one terminal elevator by the Company since 1912, under lease from the Canadian Pacific Railway.

Capacity—2,500,000 bushels.

Unloading capacity—120 cars in ten hour day.

Grain handled:—

Crop of 1912—16,254,971 bushels

Crop of 1913—16,728,996 bushels

Crop of 1914—11,113,922 bushels

Crop of 1915—28,391,277 bushels

Crop of 1916—16,448,023 bushels

Crop of 1917—12,648,040 bushels

Crop of 1918—7,180,600 bushels

Total—108,760,829 bushels

At Port Arthur Elevator "H" built and owned by the Company. Operated as a private elevator for the handling of all grades of grain.

First operated in 1916.

Capacity—600,000 bushels.

Unloading capacity—30 cars in ten hour day.

Elevator "H" will be still more useful on the establishment of sample markets at the head of the lakes.

Export Business

Export business is carried on through the Grain Growers' Export Company Limited and the Grain Growers' Export Company Incorporated. The former is a Canadian Company. The latter was organized in the State of New York. The organization of a Company with an American Charter was necessary because of the large amount of business that is carried on in New York.

The export of grain was begun in 1910.

The largest volume of grain handled for export during a single year was in the year 1916. 88,000,000 bushels were handled, of which 22,000,000 was Canadian grain and 66,000,000 bushels American grain.

When ordinary export business was suspended on account of government handling of grain crops, the Allied Purchasing Commission made use of the Export Company as an agent in buying oats. Then they took over the whole New York office and the Export Company became the principal agent through which oats were purchased for the Allied Governments on the American Continent.

Livestock Department

Livestock offices and expert salesmen are maintained at markets in Winnipeg, Calgary, Edmonton and Moose Jaw. The principal business transacted is the selling of co-operative shipments of livestock. Business has increased very rapidly, as farmers find that through co-operative shipping they are able to realize more for their stock than when sold to local or travelling buyers. Hundreds of cars of stockers are bought every year for farmers. Livestock are now being handled at the rate of more than 5,000 cars a year, value probably in excess of Ten Million Dollars.

Volume of Business

Total farmers' grain handled since September 1, 1906, to August 31, 1919, by The Grain Growers' Grain Company Limited, The Alberta Farmers' Co-operative Elevator Company Limited and United Grain Growers Limited—is over 330 million bushels.

Machinery, and such supplies as flour, feed, posts, twine, wire fencing, coal, lumber and other farm requirements are now being handled at the rate of about Six Million Dollars a year.

Company's Warehouses

The Company maintains warehouses for the storage of machinery and supplies and show rooms for exhibiting goods handled in Winnipeg, Regina, Saskatoon, Edmonton and Calgary. Into these warehouses goods are moved in car load quantities at car load freight rates and they are shipped out again as required.

In Winnipeg there is a combined warehouse and show room on Market Street. The building is five stories and has 32,000 square feet of floor space. There is also in Winnipeg the Company's largest reinforced concrete warehouse with 40,000 square feet of floor space or storage capacity for 160 cars. There is a railway siding and facilities for loading or unloading several cars at a time.

At Calgary also there is a fireproof warehouse with storage space of 30,000 square feet or capacity for 150 cars. The Calgary show rooms are in the Loughheed Building, the same building in which is situated the Company's Calgary office.

Offices

The Executive Offices of the Company are situated in Winnipeg and Calgary. A private telegraph wire connects these two offices and enables the officers of the Company to keep constantly in touch with the different departments of business. This wire is also found extremely important by the farmers of Alberta in connection with the handling of their grain on the Winnipeg market.

Subsidiary Companies

The subsidiary companies described below were formed because the business they handled could be carried on more efficiently and more economically under separate organizations than if conducted as departments of United Grain Growers Limited. They are owned absolutely by United Grain Growers Limited. Their affairs are administered by the directors of United Grain Growers Limited in the same way as are the affairs of the parent Company.

*U. G. G. Saw
Mills Limited*

Timber limits estimated to contain over 200,000,000 feet of timber were purchased by The Grain Growers' Grain Company Limited in 1912, near Hutton, B.C., on the line of the Grand Trunk Pacific Railway. Modern saw-mill machinery and equipment has been installed and the manufacture of lumber was commenced in 1918.

*United Grain
Growers
Securities Co.
Limited*

Operates Investment, Insurance and Land Departments.

Investment Department offers facilities to farmers for placing savings in the most approved forms of investment, including farm mortgages, and the buying or selling of War Loan or Victory Bonds and other securities. Information and advice on all questions of finance and investment are furnished to farmers without charge. Farm lands are handled on a straight commission basis for owners, and the business of handling improved farms is organized throughout the West.

Hail, Fire, Accident, Automobile and other forms of insurance handled, not to compete with, but to supplement the insurance obtained through Farmers' Mutual Companies.

Through the Securities Company six

strong Mutual Fire Insurance Companies co-operate in the issue of a policy backed by all of them, thus adding their combined strength to the other advantages of mutual fire insurance.

In Insurance the Company does not compete with Farmers' Mutual Companies or Municipal Hail Insurance, but supplies the additional protection farmers require by means of a policy issued by a very strong Insurance Company.

*Grain Growers'
Export
Company
Limited*

Capital paid up \$300,000.00 Reserve Fund \$300,000.00. Total \$600,000.00. All Capital Stock held by United Grain Growers Limited.

Offices at Winnipeg and New York. Further particulars of Grain Growers' Export Company business on page 8.

*Public Press
Limited, and
Grain Growers'
Guide Limited*

These are the two companies by which the printing and publishing of The Guide are respectively carried on.

Some of the principal employees of the Public Press Limited still own a few shares of stock under an arrangement made when the Company was first organized. This in no way affects the control of the Company by United Grain Growers Limited, who are the owners of all the rest of the stock.

*United Grain
Growers (B.C.)
Limited*

This Company was organized for carrying on business on the Pacific Coast. Its head office is at Vancouver B.C., and there are 12 local branches serving the farmers of British Columbia and supplying them with their feed requirements.

Some Financial Aspects

Growth of the Amalgamated Companies

In eleven years The Grain Growers' Grain Co. Ltd. had a paid-up Capital of	\$1,357,382.46
and a Surplus of	1,118,351.51
Total	\$2,475,733.97
In four years the Alberta Farmers' Co-operative Elevator Co. had a paid-up Capital of	\$ 563,689.00
and a Surplus of	541,004.38
Total	\$1,004,793.38

The New Company

United Grain Growers Ltd. came into being with an authorized Capital of ..	\$5,000,000.00
Stock subscribed for at 31st August 1919	2,992,200.00
Of which the amount paid up was	2,415,185.58

Capital and Surplus

The total Capital and Surplus belonging to the Shareholders on August 31st, 1919, was	\$4,171,615.36
Deducting the Capital Stock Paid Up ..	2,415,185.58
Leaving a Surplus of	\$1,756,429.78

This amount represents surplus earnings and savings (outside of dividends paid), which have been left in the business to increase its financial strength. The purchaser of shares at the present time has the benefit of that accumulated financial strength. That is why, since 1911 shares have been sold at a premium, the selling price of each share being \$30.00.

The Grain Growers' Grain Company Ltd., The Alberta Farmers' Co-operative Elevator Company

Ltd. and United Grain Growers Limited have since organization returned to farmers in the way of dividends over one million dollars.

Properties Owned

The net value of all the Elevators (Country and Terminal) Machinery, Warehouses, Real Estate and Miscellaneous Equipment at 31st Aug., 1919, was \$3,207,303.34

Against the Elevators in Alberta there is a Mortgage to the Government of the Province of Alberta of \$1,043,891.53

And there are Mortgages on other properties of 68,000.00

Leaving a Net Value in such Assets of \$2,095,411.81

At 31st August, 1919, the Company had also issued Debentures to the amount of \$ 87,500.00

The value of all other Assets—Cash, Grain, Machinery, Supplies, War Loans and Sundries, at 31st August, 1919, was \$3,104,638.84

The value of holdings in Subsidiary Companies and all other Companies at the same date was \$1,608,326.01

In General

It will be seen that the Company has equipped itself by its investments to handle successfully a large volume of business. As other opportunities arise it will need still more extensive equipment. Its service to the farming community will be in direct proportion to its financial strength.

Inquiries about purchase of shares should be addressed to Investment Department, U.G.G. Securities Company Limited, at Winnipeg or Calgary.

Shares

Capital stock authorized—\$5,000,000.00—200,000 shares at \$25.00 each, present selling price \$30.00 a share.

Since the beginning of its operations the Company has always been able to pay a dividend, but only a small part of the earnings of the business have so been used. Large sums have been spent in development and educational work, or have been retained in the business.

Dividends, though not guaranteed, have been paid annually and are computed quarterly on the par value of the amount of stock paid up. The books of the Company are closed from May 31st to August 31st, so far as registering new stock for dividend purposes is concerned.

Only the owners or lessees of farm lands, or the wives of such persons, may become members.

There are 9,256 shareholders in Manitoba, 9,364 in Saskatchewan and 15,883 in Alberta. These shareholders are organized into 100 Locals in Manitoba, 83 in Saskatchewan, 146 in Alberta and 6 in British Columbia.

To form a Local requires 40 members holding a total of at least 267 shares.

Each Local elects a delegate (or two delegates if the Local has 188 or more members) to the annual meeting.

Each Local, besides its delegates, elects a Local Board of five members. These Local Boards are intended to promote the business of the Company in their districts and to assist in developing it in the most useful way.

The Locals, in addition to meeting for the election of delegates and officers, also meet to consider the reports of delegates to the annual meeting and oftener if desired.

Resolutions bearing on the general policy of the Company can be submitted by the Locals for consideration at the annual meeting.

The annual meeting may be held from year to year in different cities.

Travelling expenses of delegates and a per diem allowance are paid out of the Company's funds.

Purchase of Shares

Shares in the Company may be purchased through the Investment Department of United Grain Growers Securities Company. Purchasers may commence their investment with as little as \$6.00, the first instalment on the purchase of a single share, and pay the balance in instalments due on the 1st of September each year, or cash in full may be paid for shares bought up to the number of 100. No Shareholder is allowed to hold more than 100 shares.

Shareholders frequently take out a considerable number of shares to be paid for by instalments, thus building up an investment over a number of years.

For all information write to the Investment Department, at either Winnipeg or Calgary.

Directors

There are 12 directors, 4 to be elected each year, and to serve for a period of 3 years. Directors are elected at the annual meeting. It is the custom although not necessary, to elect directors from each Province according to the number of members. At the present time there are 3 from Manitoba, 4 from Saskatchewan and 5 from Alberta.

For further information about the Company, write

UNITED GRAIN GROWERS LIMITED

WINNIPEG, MANITOBA

or

CALGARY, ALBERTA

**Every Farmer a Member of the
Association!**

**Every Farmer a Reader of The
Grain Growers' Guide!**

**Every Farmer a Member of the
Farmers' Company!**

**In short, every farmer a threefold
partner in a movement that de-
serves his support and means
much to him in dollars and
cents as well as in the improve-
ment of conditions under which
he carries on his farming busi-
ness.**

